

Selected Statements

May 1981

Pres. Reagan

16 Apr 81

Presidential Statement

(Waste in Government)

A study released yesterday reveals startling statistics that confirm much of what this administration has said about the "national scandal" of waste, fraud, and abuse in government.

Forty-five percent of Federal employees who responded to the survey said that in the last 12 months they had observed or had evidence of waste or illegality; 17 percent have personal knowledge of Federal property being stolen; 11 percent have personal knowledge of ineligible recipients getting funds, goods, or services. These are far from trivial matters. Indeed, 9 percent of the employees in the survey claimed to have observed specific incidents each involving over \$100,000 of waste or mismanagement.

The study, conducted by the Merit Systems Protection Board and the Inspectors General, also found that much of the wasteful or illegal activities have gone unreported because of the belief that "nothing would be done."

This administration means to change that attitude. As I said when I announced the appointment of the President's Council on Integrity and Efficiency on March 26: "We are going to follow every lead, root out every incompetent, and prosecute any crook we find who's cheating the people of this Nation."

Today the Council on Integrity and Efficiency is publicizing a series of "hot-line" numbers that will be available to Federal employees who want to report wrongdoing in their departments.

But, more important, the Council is reasserting a point I want understood

throughout the Government: Federal employees or private citizens who wish to report incidents of illegal or wasteful activities are not only encouraged to do so but will be guaranteed confidentiality and protected against reprisals.

I also want every member of this administration—from those in the Cabinet, to the sub-Cabinet, to Federal employees beginning their careers today—to understand that we will not tolerate fraud, waste, and abuse of the taxpayers' dollars. Every allegation of wrongdoing, every investigative lead will be pursued thoroughly and objectively.

The vital element in any program designed to fight fraud and waste is the willingness of employees to come forward when they see this sort of activity. They must be assured that when they "blow the whistle" they will be protected and their information properly investigated.

I want it made clear that today this administration is providing that assurance to every potential whistleblower in the Federal Government.

Since I appointed the Council on Integrity and Efficiency, we have already begun to develop momentum in the fight against waste and fraud. Let me cite a few examples.

—Hundreds of additional investigative leads, some of great significance, on incidents of waste, fraud, and abuse in government have been developed. Our Inspectors General are vigorously pursuing these leads.

—The Inspector General's office at

AID secured a guilty plea from a former AID employee accused of extorting \$138,000 for channeling a rice-seed contract to a firm in the Far East. The individual also agreed to resign from AID immediately and to return to the Government, in the form of criminal and civil fines, some \$40,000 of the funds he allegedly extorted. In addition, he received a 2-year suspended sentence and 5 years of probation.

—This administration has announced its support of legislation creating additional Inspectors General who will have powers tailored to the specific needs of the Departments of Defense, Treasury, and Justice.

—I have also approved six more individuals to be nominated as IG's. Their names will be announced as soon as they have successfully completed the initial clearance process.

During the past few decades, Government programs have multiplied and expenditures have grown by quantum leaps. But during this time little attention has been paid to the serious problems of mismanagement and criminal fraud. One Department of Justice study has revealed that in social programs fraud alone could be as much as 1 to 10 percent of the expenditures for those programs.

It is time to put a halt to this waste and wrongdoing. These steps I have mentioned today represent only a beginning in one of the toughest and most important programs this administration will undertake: eliminating waste and fraud, and restoring the public's faith in the integrity of government.

Sec. Weinberger

18 Apr 81

Interview on WDM Deena Clark Show

(Manpower Competency)

CLARK: Mr. Secretary, in your first message to the three million military and civilian personnel of the Department of Defense, you said your mission was to rearm America. And during your confirmation hearings, Senator Goldwater, "You don't win wars with weapons. You win wars with people."

Which brings up a very basic priority. The weapons now have become so complicated and complex that it takes a very educated person to operate them. I have heard -- well, Newsweek gave a report that the verbal ability of some of our volunteers was so low that the training manuals had to be rewritten in practically comic-book -- comic-book language.

How are we going to attract, say, a graduate of MIT to our service if we keep on with the volunteer aspect?